

COMPANY NUMBER: 837688

CEMEX UK PROPERTIES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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**CEMEX UK PROPERTIES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008**

The directors present their report and the audited financial statements for the year ended 31 December 2008.

Principal activity, business review and future developments

The principal activity of the company throughout the year continued to be the development for sale of land and buildings owned by other CEMEX group companies and the provision of property advisory services to the group.

The results for the year were satisfactory and the directors do not expect any material change in the Company's affairs in the foreseeable future.

Results and dividends

The loss for the financial year was £342,098 (2007: £675,648 profit) which was transferred to reserves. The directors do not recommend the payment of a dividend (2007: Nil).

Directors

The directors who served during and since the end of the year are as shown below:

S Barrett
M L Collins

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Statutory dispensation

The company has in force, under section 379A of the Companies Act 1985 an election dispensing with the laying of accounts and reports before the company in General Meeting and the holding of an Annual General Meeting.

Approved by the board on 18 May

2009 and signed on its behalf by



M.L. Collins
Secretary

CEMEX House
Coldharbour Lane
Thorpe
Egham
Surrey
TW20 8TD

CEMEX UK PROPERTIES LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2008

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Report of the independent auditors to the members of CEMEX UK Properties Limited

We have audited the financial statements of CEMEX UK Properties Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor
BIRMINGHAM

18 MAY 2009

CEMEX UK PROPERTIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
Turnover	2	126,324	1,059,383
Cost of sales		<u>(424,014)</u>	<u>(351,816)</u>
Gross (loss) / profit		(297,690)	707,567
Administrative expenses		<u>(198,018)</u>	<u>(178,132)</u>
Operating (loss) / profit	3	(495,708)	529,435
Interest receivable and similar income	5	<u>153,610</u>	<u>146,213</u>
(Loss) / profit on ordinary activities before taxation		(342,098)	675,648
Tax on (loss) / profit on ordinary activities	6	<u>-</u>	<u>-</u>
Retained (loss) / profit for the financial year		<u>(342,098)</u>	<u>675,648</u>

The results for the year are derived wholly from continuing operations.

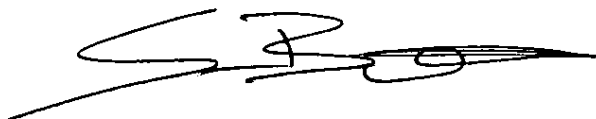
In 2008 and 2007 the company had no recognised gains or losses other than the retained (loss) / profit for the financial year, and therefore no statement of total recognised gains and losses has been presented.

There is no material difference between the loss on ordinary activities before taxation and the loss for the year stated above, and their historical cost equivalents.

CEMEX UK PROPERTIES LIMITED
BALANCE SHEET
31 DECEMBER 2008

	Notes	2008 £	2007 £
Current assets			
Stock	7	3,206,650	2,410,057
Debtors falling due after more than one year	8	3,019,465	2,865,855
Debtors falling due within one year	8	1,279,160	1,123,167
Cash at bank and in hand		<u>1,544,715</u>	<u>2,707,733</u>
		9,049,990	9,106,812
Creditors: amounts falling due within one year	9	<u>4,567,010</u>	<u>4,281,734</u>
Net assets		<u>4,482,980</u>	<u>4,825,078</u>
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		<u>4,482,880</u>	<u>4,824,978</u>
Shareholders' funds	12	<u>4,482,980</u>	<u>4,825,078</u>

The financial statements on pages 4 to 10 were approved by the Board of Directors on
18 May 2009 and signed on its behalf by:



S Barrett
Director

**CEMEX UK PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As 100% of the Company's voting rights are controlled within the group headed by CEMEX, S.A.B. de C.V., the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of CEMEX, S.A.B. de C.V., within which this Company is included, can be obtained from the address given in note 15.

Turnover

a) Development costs

Turnover principally comprises property development costs recovered from other CEMEX group companies, rents and professional services at invoiced value, excluding value added tax.

Pensions

The company's pension obligations are financed by payments to group funded defined benefit schemes, details of which are disclosed in the accounts of CEMEX UK Operations Limited. The contributions paid by the Company are accounted for as if the scheme were a defined contribution scheme, as the company is unable to identify its share of the underlying assets and liabilities in the scheme. These funds are valued at least triennially and the funding payments are assessed in accordance with the advice of an independent professionally qualified actuary. The annual cost of these pension arrangements is charged in arriving at the operating profit for the year. Adjustment is made by CEMEX UK Operations Limited on a group basis so as to provide pension costs over the period of service of members of the schemes.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

CEMEX UK PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2008

1. Accounting policies (continued)

Stock

The company identifies properties owned by the CEMEX group that are no longer required for group activities and seeks to maximise the net proceeds of sale of those properties by methods including the obtaining of planning permission and site assembly. Costs incurred re those properties are comprised in work in progress or are immediately written off. Following sale by the owning company, the company is reimbursed its expenditure by that company. Where it seems unlikely that the property will be sold in the near future, the costs are written off in the accounts of the company. Stock and work in progress are stated at the lower of cost and net realisable value.

2. Turnover

All turnover arose within the United Kingdom and related to the company's principal activity.

3. Operating (loss) / profit

	2008	2007
	£	£
Operating (loss) / profit is stated after charging:		
Auditors' remuneration – for audit of these financial statements	<u>5,000</u>	<u>2,500</u>

4. Employee costs

	2008	2007
	£	£
Staff costs during the year		
Wages and salaries	119,006	139,992
Social security costs	14,158	10,973
Other pension costs	<u>13,799</u>	<u>6,819</u>
	<u>146,963</u>	<u>157,784</u>
Redundancy costs	<u>13,831</u>	<u>-</u>
	<u>160,794</u>	<u>157,784</u>

Average number of persons employed by the company during the year

	2008	2007
	No.	No.
Property development and advisory services	<u>3</u>	<u>4</u>

Directors' emoluments

	2008	2007
	£	£
Aggregate emoluments	51,038	49,809
Number of directors to whom retirement benefits are accruing under a Group defined benefit scheme in respect of qualifying services	<u>1</u>	<u>1</u>

CEMEX UK PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2008

5. Interest receivable and similar income

	2008 £	2007 £
Interest receivable from parent company	<u>153,610</u>	<u>146,213</u>

6. Tax on (loss) / profit on ordinary activities

	2008 £	2007 £
Reconciliation of current tax charge		
The corporation tax for the period is higher (2007: lower) than the standard rate of 28.5%.		
The reasons for the difference are explained below:		
(Loss) / profit on ordinary activities before tax	<u>(342,098)</u>	<u>675,648</u>
(Loss) / profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007: 30%)	(97,489)	196,825
Adjustment for effect of:		
Group losses claimed without payment	(3,198)	(12,807)
Permanent differences	<u>100,687</u>	<u>(184,018)</u>
Current tax charge for the period	<u>-</u>	<u>-</u>

There are no known specific factors that will impact the tax charge in future years.

There are no recognised or unrecognised deferred tax assets or liabilities.

7. Stock

	2008 £	2007 £
Work in progress	<u>3,206,650</u>	<u>2,410,057</u>

CEMEX UK PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2008

8. Debtors

	2008 £	2007 £
Amounts falling due after more than one year		
Loan to parent undertaking	<u>3,019,465</u>	<u>2,865,855</u>
Amounts falling due within one year		
Trade debtors	24,059	30,897
Amounts owed by group undertakings	1,254,184	1,077,267
Other debtors	-	2,760
Prepayments and accrued income	<u>917</u>	<u>12,243</u>
	<u>1,279,160</u>	<u>1,123,167</u>
	<u>4,298,625</u>	<u>3,989,022</u>

The loan due after more than one year is unsecured. Interest is charged at agreed arms length rates.

9. Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	111,524	154,487
Amounts owed to fellow subsidiary undertakings	4,407,222	3,693,470
Other creditors	34,433	122,260
Accruals and deferred income	<u>13,831</u>	<u>311,517</u>
	<u>4,567,010</u>	<u>4,281,734</u>

The amounts owed to fellow subsidiary undertakings are unsecured, free of interest, and payable on demand.

10. Reserves

	Profit and loss account £
At 1 January 2008	4,824,978
Loss for the financial year	<u>(342,098)</u>
At 31 December 2008	<u>4,482,880</u>

11. Called up share capital

	2008 £	2007 £
Authorised share capital allotted, called up and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

CEMEX UK PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2008

12. Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Retained (loss) / profit for the financial year	(342,098)	675,648
Opening equity shareholders' funds	<u>4,825,078</u>	<u>4,149,430</u>
Closing equity shareholders' funds	<u>4,482,980</u>	<u>4,825,078</u>

13. Contingent liabilities

The company has entered into a joint and several guarantee with certain group companies guaranteeing a group bank overdraft facility of £100,000,000 for CEMEX Investments Limited.

The company is registered with H M Revenue & Customs as a member of the CEMEX Investments Limited Group for value added tax purposes and is, therefore, jointly and severally liable on a continuing basis for amounts owing by other members of the group in respect of their value added tax liabilities.

14. Pension commitments

The company participates in a defined benefit pension scheme operated by CEMEX Investments Limited for its UK employees, with assets held in a separately administered fund. However, the contributions paid by the company are accounted for as if the scheme were a defined contribution scheme, as the company is unable to identify its share of the underlying assets and liabilities in the scheme. The cost of contributions to the group scheme amounted to £6,819 (2007: £35,499), being 15.5 % (2007: 16.6%) of pensionable salary, and is based on the pension costs across the group as a whole. An actuarial valuation of the scheme was undertaken as at 31 March 2006 and an actuarial deficit of £79.6m was identified. Following this valuation, from 1 January 2008, contributions are payable at the rate of 15.5% of pensionable salaries. The defined benefit section of the scheme was closed to new employees with effect from 1 January 2004. All new employees are offered membership of a defined contribution section of the scheme.

15. Ultimate parent company and parent undertaking of larger group of which the Company is a member

The Company's immediate parent undertaking is CEMEX Investments Limited, which is incorporated in Great Britain.

The largest group in which the results of the Company are consolidated is that headed by CEMEX, S.A.B. de C.V., incorporated in Mexico. Its address is Av. Ricardo Margain Zozaya 325, CP 66265, San Pedro Garza Garcia, N.L. Mexico.

The smallest group in which the results of the Company are consolidated is that headed by CEMEX España S.A., incorporated in Spain. Its address is Hernandez de Tejada 1, Madrid 28027, Spain.

The consolidated financial statements of these groups are available to the public and can be obtained from the above addresses.